

Fiscal Estimate - 2017 Session

Original Updated Corrected Supplemental

LRB Number 17-1881/1 **Introduction Number** SB-265

Description
prohibiting preexisting condition exclusion and setting rates or cost sharing based on preexisting conditions

Fiscal Effect

State:
 No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations Decrease Existing Revenues Yes No
 Create New Appropriations Decrease Costs

Local:
 No Local Government Costs
 Indeterminate
1. Increase Costs 3. Increase Revenue 5. Types of Local Government Units Affected
 Permissive Mandatory Permissive Mandatory Towns Village Cities
2. Decrease Costs 4. Decrease Revenue Counties Others
 Permissive Mandatory Permissive Mandatory School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**
 GPR FED PRO PRS SEG SEGS

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

OCI 7/4/2017

LRB Number	17-1881/1	Introduction Number	SB-265	Estimate Type	Original
Description prohibiting preexisting condition exclusion and setting rates or cost sharing based on preexisting conditions					

Assumptions Used in Arriving at Fiscal Estimate

This bill prohibits a group health benefit plan, including a self-insured governmental health plan, from imposing a preexisting condition exclusion. The bill also prohibits an individual health insurance policy, known in the bill as a disability insurance policy, from reducing or denying a claim or loss incurred or disability commencing under the policy on the ground that a disease or physical condition existed prior to the effective date of coverage. The bill also prohibits a group or individual health insurance policy or a self-insured governmental health plan from considering whether an individual, including a dependent, who would be covered under the plan has a preexisting condition for the purpose of setting any deductibles, copayments, or coinsurance under the policy or plan.

Because most public health insurance plans already impose a preexisting condition exclusion, OCI feels the provisions of the bill will have a minimal fiscal effect. However, the bill mandates all private group health plans cover preexisting conditions. At this time, the increase costs to the group health insurance market are indeterminate.

Long-Range Fiscal Implications